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influence. He would need to work in close cooperation with the proposed abattoir specialist. The Association should also investigate the possibility of using more local materials in the hides and skins industry. Thus local valonia or oak bark might be employed for tanning and locally refined and sulphurated fish oils used in the leather industry. Efforts might also be made to procure better salt at reasonable prices from the government salt works at Fao and to organize more adequate local supplies of date syrup which small tanneries use as a glucose.

### Casings

Most if not all the casings are obtained from the abattoirs in barrels. Initial cleaning and grading is usually done on the floor which is occasionally washed down with water. The casings examined appeared to be remarkably free of parasitic infection, particularly in the North. More hygienic casings could be produced under more efficient and comfortable working conditions if the work were raised from the floor to zinc-lined tables and improved drainage and piped water supplies were provided in the sections dealing with casings.

### Other Improvements in Abattoirs

Many abattoir buildings are in need of repair, enlargement and alteration. Improvements such as an impervious floor, better drainage and water supplies can often be effected at small cost. At present abattoir offal is largely wasted even though the amount involved would warrant the installation of modern methods of converting it into glue, bone meal, blood meal, etc. In order to encourage more slaughtering at the government-supervised abattoirs, it might also be desirable to review the taxes assessed at the abattoir which encourage livestock owners to resort to illicit slaughter.

### Wool

The wool collected from the various fat-tailed varieties of sheep makes a good carpet wool and a valuable export product. Little attention is given, however, to good shearing, perhaps because milk rather than wool is considered the main product of the flocks. Shearing is done with crude hand shears. Wool is frequently left on the head and neck region and around the root of

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256 CEREAL INDUSTRY--industrialized processing of cereal products (e.g., flour, starch, breakfast foods); storage facilities (e.g., grain elevators); mills and bakeries; technology and special equipment; organization of labor and production; etc. See also:


Cereal agriculture . . . . . 248
Beverage industries . . . . . 274
Baking ovens . . . . . 354
Manufacture of milling machinery . . . . . 392
Manufacture of bakery equipment . . . . . 394
Milling machines . . . . . 402

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the farmer to get a fairer share of the price and bring about greater price stability. Even if the merchants primarily used these facilities, the farmer would still benefit indirectly because more merchants would be financially able to compete for his products.

Grain stores are especially needed. Cotton can at present be stored at ginneries, and the Agricultural Bank is lending money on such cotton. Aside, however, from a 5,000 ton silo at Baghdad, which went into use with the 1951 harvest, the country possesses no modern grain storage facilities. The Grain Board which is charged with responsibility for storage projects is contemplating the construction of a 40,000 ton silo costing about ID 2,145,000 at Basra. This silo would primarily serve the export trade. It would be desirable to supplement these two with a number of smaller stores, less elaborately equipped and located nearer the centers of production. Such stores would afford necessary protection against grain pests and also help to mitigate the fear of famine which is ever present in a country with sharply fluctuating harvests. If equipped with simple cleaning plant they would help greatly to improve the quality of the grain. Grain thrashed by hand according to the prevailing custom contains from 15 to 40 percent foreign matter and from 5 to 15 percent dirt. The number, location and size could only be determined after a thorough survey. It is not unlikely, however, that from 12 to 18 such stores with an individual capacity ranging from 2,000 to 5,000 tons and a total capacity of about 75,000 tons would be needed. For the most part they will not have to be mechanized and can consist basically of simple steel or concrete sheds. The total cost would probably not exceed ID 750,000.

Two possible obstacles to the actual utilization of grain storage facilities should be considered. There may be a disinclination to use them for fear of giving the government knowledge of such stocks and thereby exposing them to taxation. Much grain now escapes taxation. To encourage people to take advantage of the stores it may therefore be necessary to reduce substantially or abolish the *istihlak* tax which is a type of sales or turnover tax. Other reasons for abolishing or reducing this tax have already been advanced elsewhere.[14] Another difficulty in the way of using such

[14] See the Mission's main report, p. 95.

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storage facilities lies in the wide variation in the quality of the grain. Those with better quality grain may refuse to store it except under conditions which will ensure that it will be kept as a separate parcel. While this may be possible in the smaller, non-mechanized sheds, it will be impossible in the silos at Baghdad or Basra. There, however, it will be desirable at least to have means for weighing each parcel of grain after as well as before cleaning. At present there are no such facilities in the Baghdad silo and none are apparently contemplated for the Basra silo. Under such conditions there will be a premium on the storage of grain with a large percentage of foreign matter. Those with relatively clean grain harvested by combines will, on the other hand, refuse to use the silos.

If credit is to be extended on grain stored in silos, there must be adequate supervision to insure the issuance of proper warehouse receipts and to prevent the release of any stored grain except against the surrender of such receipts. Presumably any new facilities would be owned and supervised by the Grain Board. This Board, however, would hardly be in the position to finance all the proposed additional facilities. In 1950 the International Bank was approached with respect to the financing of the Basra silo, but now that Iraq is assured ample sterling revenue from oil and only a small part of the necessary expenditures is likely to be in dollars, the government may consider it undesirable to contract a loan for this purpose. Financing by the Development Board would then appear to be the only alternative. The Grain Board might even have difficulty in financing the smaller storage facilities. Although its assets as of March 31, 1951, amounted to ID 1,123,969, over 30 percent or ID 321,113 consisted of "fixed assets" and another item of ID 687,222 designated as "sundry debtors" represented almost entirely a claim on the Treasury. Over a number of years the government has levied a one percent tax on grain for the benefit of the Board but it has retained the proceeds provisionally for its own needs. As long as the ordinary budget remains tight, as is likely over the next few years, the government may find it difficult to convert this claim into cash. Under such circumstances the Development Board may find it necessary to give financial assistance for the smaller projects.

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sonable. However, the quality of the brick, because of the type of clay available, is rather poor. The demand for brick is easily met by the present highly competitive industry. When, however, the cement plant is enlarged, it will tend to replace brick by offering better and cheaper material in such forms as concrete blocks. In view of this, there does not appear to be any justification for enlarging the brick industry.

At present, some tile is made, but it, too, is being replaced by cement.

***Milling***

Iraq possesses three fairly large flour mills. The older ones are now being modernized with the latest machinery. A very modern mill was recently constructed at Basra, with a capacity of 50 tons per day, for the purpose of making possible the exportation of flour rather than just wheat. So far, a shortage of grain has prevented the mill from operating as planned. When a sufficient supply of grain becomes available, however, the mill will be capable of serving the export market in addition to local requirements.

***Aluminumware***

Aluminumware is very popular. It is now being manufactured in a small plant in Baghdad from imported sheet, which represents more than 70 percent of the production cost of the finished article. Production is limited to about 480 tons per year because of the difficulty in getting aluminum; however, even with an ample supply of material, the present capacity of the plant (600 tons) is only sufficient to meet about one third of the country's requirements. Production costs could be greatly reduced, first, by increasing the capacity of the plant, and second, by installing facilities permitting the utilization of both scrap aluminum and pig. To double the plant's capacity and install equipment to melt and roll scrap and pig would cost approximately ID 200,000, of which ID 175,000 would be foreign exchange, mainly in pounds sterling. These new facilities would require about two years to construct and, when finished, would employ approximately 40 additional workers.